



# Sierra Nevada Region



## Power Revenue Requirement Forecast FY 2018 - 2021

	Current FY17 PRR		FY18 PRR		FY19 PRR		FY20 PRR		FY21 PRR	
	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues	Expenses	Revenues
<b>O&amp;M Expense: /1</b>										
Reclamation	\$50,174,945		\$50,816,646		\$52,667,555		\$55,073,361		\$55,215,661	
Adjustment for Trinity Foregone Energy /16	\$0		(\$500,000)		(\$500,000)		(\$500,000)		(\$500,000)	
Western	\$63,047,021		\$63,337,022		\$63,376,780		\$64,580,660		\$66,017,594	
<b>Total O&amp;M Expense</b>	<b>\$113,221,966</b>		<b>\$113,653,669</b>		<b>\$115,544,335</b>		<b>\$119,154,021</b>		<b>\$120,733,255</b>	
<b>Purchase Power Expense:</b>										
Custom Product & Suppl. Power /2	\$209,678,511	\$209,678,511	\$213,074,177	\$213,074,177	\$192,144,681	\$192,144,681	\$201,751,915	\$201,751,915	\$211,839,511	\$211,839,511
HBA Costs /3	\$2,517,812		\$2,606,224		\$2,684,410		\$2,764,943		\$2,847,891	
Purchases for Project Use /4	\$0		\$0		\$0		\$0		\$0	
Washoe Cost for BR	\$255,000		\$265,000		\$265,000		\$265,000		\$265,000	
<b>Total Purchase Power Expense/Revenue</b>	<b>\$212,451,323</b>	<b>\$209,678,511</b>	<b>\$215,945,401</b>	<b>\$213,074,177</b>	<b>\$195,094,091</b>	<b>\$192,144,681</b>	<b>\$204,781,858</b>	<b>\$201,751,915</b>	<b>\$214,952,402</b>	<b>\$211,839,511</b>
<b>Interest Expense: /5</b>										
<b>Total Interest Expense</b>	<b>\$11,344,218</b>		<b>\$11,414,379</b>		<b>\$11,705,099</b>		<b>\$12,089,591</b>		<b>\$12,642,093</b>	
<b>Other Expenses: /6</b>										
<b>Total Other Expenses</b>	<b>\$3,321,671</b>		<b>\$3,421,321</b>		<b>\$3,523,961</b>		<b>\$3,629,680</b>		<b>\$3,738,570</b>	
<b>Project Repayment (Expense): /7</b>										
<b>Total Project Repayment</b>	<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>	
<b>Other Pass-through Expenses &amp; Revenues:</b>										
CAISO Market & GMC Charges for 2207A (WSLW) & (WPUL) /8	\$5,505,619	\$0	\$6,973,609	\$0	\$6,973,609	\$0	\$6,973,609	\$0	\$6,973,609	\$0
CAISO Expenses & Revenues /9	\$29,635,880	\$29,260,103	\$32,099,461	\$31,723,684	\$32,099,461	\$31,723,684	\$32,099,461	\$31,723,684	\$32,099,461	\$31,723,684
PG&E costs incurred for Wheeling /10	\$13,711,868	\$11,183,997	\$14,170,696	\$11,642,825	\$14,170,696	\$11,642,825	\$14,170,696	\$11,642,825	\$14,170,696	\$11,642,825
PATH 15 revenues and expenses	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Purchases and Sales for SBA /11	\$6,561,505	\$8,032,386	\$6,561,505	\$9,432,386	\$6,561,505	\$8,432,386	\$6,561,505	\$7,061,505	\$6,561,505	\$6,561,505
Resource Adequacy/Flexible Resource Adequacy /12	\$1,502,576	\$1,378,666	\$1,547,654	\$1,420,026	\$1,594,083	\$1,462,627	\$1,641,906	\$1,506,506	\$1,691,163	\$1,551,701
<b>Total Other Pass-through Expense/Revenue</b>	<b>\$56,929,448</b>	<b>\$49,867,152</b>	<b>\$61,364,925</b>	<b>\$54,230,921</b>	<b>\$61,411,354</b>	<b>\$53,273,522</b>	<b>\$61,459,177</b>	<b>\$51,946,520</b>	<b>\$61,508,434</b>	<b>\$51,491,715</b>
<b>Other Revenues:</b>										
Non-firm energy sales		\$0		\$0		\$0		\$0		\$0
Miscellaneous Revenues /13		\$34,949,367		\$32,829,616		\$34,714,414		\$36,223,281		\$37,394,379
SC, PM, and VRC Admin Fees		\$2,610,154		\$2,688,459		\$2,769,112		\$2,852,186		\$2,937,751
Revenue from Ancillary Service Sales to IOA SBA Members		\$2,926,179		\$2,926,179		\$2,926,179		\$2,926,179		\$2,926,179
<b>Total Other Revenues</b>		<b>\$40,485,700</b>		<b>\$38,444,253</b>		<b>\$40,409,705</b>		<b>\$42,001,645</b>		<b>\$43,258,309</b>
<b>Project Use Revenues: /14</b>										
<b>Total Project Use Revenues</b>		<b>\$28,992,000</b>		<b>\$30,937,600</b>		<b>\$31,463,539</b>		<b>\$32,438,909</b>		<b>\$32,860,615</b>
<b>Transmission Revenues: /15</b>										
<b>Total Transmission Revenues</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>
<b>Total Expenses &amp; Revenues</b>	<b>\$407,268,627</b>	<b>\$329,023,363</b>	<b>\$415,799,694</b>	<b>\$336,686,952</b>	<b>\$397,278,840</b>	<b>\$317,291,447</b>	<b>\$411,114,326</b>	<b>\$328,138,989</b>	<b>\$423,574,753</b>	<b>\$339,450,150</b>
<b>Forecasted Power Revenue Requirement Summary:</b>	<b>Current FY17 PRR</b>		<b>FY18 PRR</b>		<b>FY19 PRR</b>		<b>FY20 PRR</b>		<b>FY21 PRR</b>	
<b>Total Expenses</b>	<b>\$397,268,627</b>		<b>\$405,799,694</b>		<b>\$387,278,840</b>		<b>\$401,114,326</b>		<b>\$413,574,753</b>	
<b>add: Project Repayment</b>	<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>		<b>\$10,000,000</b>	
	<b>\$407,268,627</b>		<b>\$415,799,694</b>		<b>\$397,278,840</b>		<b>\$411,114,326</b>		<b>\$423,574,753</b>	
<b>less: Total Revenues</b>	<b>(\$329,023,363)</b>		<b>(\$336,686,952)</b>		<b>(\$317,291,447)</b>		<b>(\$328,138,989)</b>		<b>(\$339,450,150)</b>	
<b>Estimated Power Revenue Requirement</b>	<b>\$78,245,264</b>		<b>\$79,112,742</b>		<b>\$79,987,393</b>		<b>\$82,975,336</b>		<b>\$84,124,604</b>	
<b>Info only - May 2016 Forecast</b>	<b>\$78,469,955</b>		<b>\$80,364,509</b>		<b>\$83,156,686</b>		<b>\$85,542,550</b>		<b>NA</b>	

Rate methodology is based on Rate Order WAPA 156 effective October 1, 2011 thru September 30, 2016. Rate Order WAPA 173 extends WAPA 156 through FY 2019.

FY 2020 is beyond the current FERC approval rate extension period but for consistency we are assuming the same rate methodology.

### NOTES:

- Western's and Reclamation's O&M is based on forecasted budget data. Both agencies' O&M include unfunded benefits.
- Estimates for Custom Product and Supplemental purchase power costs (pass-through costs) are derived based on budget.
- Forecasted Host Balancing Authority (HBA) costs are estimated to increase by 3% each year.
- Forward purchases for Project Use and First Preference customers are not currently planned.
- Interest Expense (from the FY 2016 preliminary Power Repayment Study) is forecasted to increase due to the planned out year investments.
- Other Expenses are forecasted to increase at 3% per year.
- Capital repayment projections includes Western's and BOR's planned investment.
- These amounts reflect the termination of contract 2207A on April 1, 2016.
- CAISO expense and revenue projections are based on current historical data and held constant thereafter.
- These amounts reflect PG&E's FERC approved Wholesale Distribution Tariff (WDT) rate increase effective November 1, 2013, in Docket ER13-1188.
- FY 2017 - FY 2019 SBA power purchases and sales are based on historical data. FY2020-FY2021 values reflect a more conservative forecast due to the potential volatility of this category.
- Resource Adequacy (RA) (Local and Flexible) costs are forecasted to increase 3% annually.
- Miscellaneous Revenues includes projected transmission revenues based on the May 2017 transmission forecast which reflects the non-operation of Sutter Energy Center (Calpine).
- Project Use revenues reflect PG&E's WDT rate increase and the termination of contract 2207A in April 2016.
- Transmission Revenues are included in the Miscellaneous Revenues category.
- An estimate for Trinity Foregone energy which would flow through the Financial Statements as a reduction to Reclamation's Power O&M.